



Blue Coat Church of England Academy

Capital and Revenue Reserves Policy

Date:		November 2018
Prepared by:		Mrs D Deeming
Review date:		July 2021
Reviewed by:		Mrs D Deeming
Governor ratification date:		30 th September 2021
Principal's signature:	<i>DJ Smith</i>	Mr D Smith
Chair of Governors' signature:	<i>Parker</i>	L Parker
Next review date:		July 2022

Hebrews 12:11 "For the moment all discipline seems painful rather than pleasant, but later it yields the peaceful fruit of righteousness to those who have been trained by it."

CAPITAL

Purpose

Academies are expected to create reserves from their annual GAG funding. Currently, the DfE provides minimal funding in the way of Devolved Formula Capital Grant. In addition academies are able to bid for a share of the Condition Improvement Fund.

The Directors of Blue Coat CE Academy require a capital reserve to be created to fund future capital expenditure.

Scope

The School Business Manager, in conjunction with the Principal, is responsible for ensuring compliance with the Academy's policies and procedures.

Procedure

- The School Business Manager, in conjunction with the Principal and Buildings and Site Manager should propose a capital reserve schedule to the Directors identifying the need to replace assets and the related sums required.
- The Directors should agree the value of capital reserves to be created in a year as part of the budget approval process.
- Funds should be transferred to a separate bank account at such a time that is clear that to do so would not create a deficit cash flow situation.
- Any separate bank account should have access arrangements in place that will enable funds to be moved to the current account in the case of "unknown" major expenditure in order to ensure cash flow does not indicate a deficit.
- Spend of the capital reserve fund should only occur as agreed budgeted spend which is approved by the Directors as part of the budget process.

REVENUE

Purpose

Academies are expected to hold contingency reserves from their annual GAG funding or other income. The Directors require a revenue reserve to be created to fund future expenditure related to the Academy Development Plan's strategic long-term aims and developments.

Scope

The School Business Manager, in conjunction with the Principal, is responsible for ensuring compliance with the Academy's policies and procedures.

Procedure

The policy of the Academy is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the DfE.